

April 1, 2011

Ex Parte Notice

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42; *Federal State Joint Board on Universal Service*, CC Docket No. 96-45; *Lifeline and Link Up*, WC Docket No. 03-109

Dear Ms. Dortch:

On March 31, 2011, Mary Henze and Cathy Carpio of AT&T, Chris Miller and Alan Buzacott of Verizon, Debra Mercer (Greenberg Traurig on behalf of TracFone), Charles McKee and Norina Moy of Sprint Nextel, Jon Banks of USTelcom, and I, on behalf of General Communication Inc. (collectively "Industry Attendees"), attended a meeting with the following FCC participants: Zachary Katz, Sharon Gillett, Austin Schlick, Carol Matthey, Dana Schaffer, Suzanne Tetreault, Tom Buckley, Terry Cavanaugh, and Kim Scardino.

The various Industry Attendees made the following points during the discussion:¹

- We understand and appreciate the FCC's desire to limit duplicate Lifeline subscriptions.
- The issue of a single individual consumer receiving multiple Lifeline subscriptions is different from multiple individuals at the same postal address or living in some kind of household unit receiving multiple Lifeline subscriptions. The latter situation raises distinct and significant public policy issues, including public safety issues, at a time when substantial numbers of consumers have "cut the cord."
- The FCC should not adopt an interim rule that would result in terminating Lifeline service with respect to multiple individuals at the same postal address or living in some kind of household unit receiving multiple Lifeline subscriptions without completion of the notice and comment process. Any rule that might be adopted addressing multiple individuals at the same postal address or living in some kind of household unit receiving multiple Lifeline subscriptions should take into account all relevant factors, including, among others, public safety, the wide variety of living arrangements, migrant or seasonal work, disruption to subscribers and an adequate time for implementation of such a requirement. Such considerations cannot adequately be taken into account prior to conclusion of the comment period in the NPRM.

¹ This list is meant to summarize the points that were made by the various Industry Attendees collectively, and does not reflect that each Industry Attendee made or agreed with each point listed.

- A Lifeline eligibility database is the likely longer term solution to preventing duplicates from occurring and recurring.
- For any interim mechanism prior to establishing a database, a third party is necessary to administer the process of identifying and resolving duplicates involving multiple ETCs. ETCs do not know the identities of other ETCs' Lifeline customers and cannot know whether an individual Lifeline consumer receives Lifeline service from another ETC. Individual ETCs, acting alone, cannot prevent duplicates from occurring or recurring.
- With respect to individuals receiving multiple Lifeline subscriptions, it may be possible to develop an expedited process to identify and resolve duplicate subscriptions, but even a medium term solution will require USAC to either hire or secure third party support to administer the process of resolving duplicates.
- There needs to be a recognition that, with any duplicates resolution process, there will not be a 100 percent response rate from customers identified as being "duplicate" Lifeline consumers. This means that unless the Commission is prepared to direct that certain Lifeline consumers should lose all Lifeline service, there will need to be a process and clear rule to determine which ETC should continue as the customer's Lifeline provider, and which Lifeline subsidy to terminate.
- Any duplicates resolution process must recognize that ETCs enrolled consumers after being presented with proof of eligibility (as required by applicable state or federal rules), and that the ETCs are required to do so for any qualifying low income consumers under the FCC's Lifeline rules. *See* 47 C.F.R. § 54.405(a). Accordingly, it is not appropriate to penalize ETCs by denying reimbursements for discounts provided simply because the *consumer* signed up for multiple Lifeline services concurrently from different ETCs. Self-certification has been a cornerstone of the FCC's rules since the post-1996 Lifeline program was implemented.
- If the FCC adopts an interim rule addressing duplicates, it must also adopt changes to other rules to make clear that ETCs can deny Lifeline service in response to a request for service from a customer that is eligible but for the duplicate. For example, an ETC must have the ability to terminate the subscriber's service or to move the subscriber to a service plan that does not have a Lifeline discount, irrespective of other FCC rules (such as the "slamming" or cramming rules), state laws or rules, or tariff provisions. In addition, ETCs would need to be able to disenroll the duplicate subscriber from state Lifeline programs for the same service.
- While industry participants in specific market areas could pursue the viability of establishing a third party to identify and resolve individual duplicates, such an effort would require the cooperation of all, or at least a substantial percentage of, ETCs in a market area.
- To ensure proper disclosure of confidential customer information, we urged the Commission to make clear that cooperation from affected Lifeline service providers is

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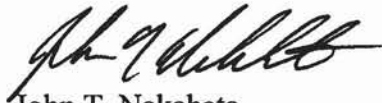
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expected and necessary to identify and resolve duplicate Lifeline accounts as part of any new resolution process.

- Industry Attendees are willing to continue to work with the FCC to address its concerns.

The Industry Attendees have authorized me to file this ex parte letter on their behalf, in fulfillment of the obligations of all Industry Attendees pursuant to 47 C.F.R. § 1.1206.

Sincerely,



John T. Nakahata

Counsel to General Communication, Inc.

cc:

Zachary Katz
Sharon Gillett
Austin Schlick
Carol Matthey
Dana Schaffer
Suzanne Tetreault

Tom Buckley
Terry Cavanaugh
Kim Scardino
Margaret McCarthy
Christine Kurth
Angela Kronenberg
Brad Gillen